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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92029390
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

VALENTINO USA, INC. Opposer/Petitioner, v. FLORENCE FASHIONS (JERSEY) LIMITED, Applicant/Registrant.	Opposition Nos. 91094961 91095203 Cancellation Nos. 92029390 92029476
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**REPLY IN SUPPORT OF FLORENCE FASHIONS’
MOTION FOR LEAVE TO FILE AMENDED ANSWERS**

Applicant/Registrant Florence Fashions (Jersey) Limited (“Florence Fashions”) respectfully submits this reply brief in support of its Motion for Leave to File Amended Answers. Florence Fashions requests leave to assert the affirmative defense that Opposer/Petitioner Valentino USA, Inc.’s (“VUSA”) pleaded common law marks are comprised of or contain the common surname VALENTINO; the marks are primarily merely a surname and lack distinctiveness; VUSA cannot establish that its marks acquired distinctiveness before Florence Fashions’ 1977 date of first use or before the 1991 filing date of Florence Fashions’ applications; and VUSA cannot establish priority or proprietary rights in the marks.

VUSA has opposed the motion arguing that it will be prejudiced if the requested amendments are entered because Florence Fashions unduly delayed in seeking the amendments. For the reasons discussed below, none of VUSA’s arguments have any merit.

I. VUSA Will Not Be Prejudiced By Entry of the Proposed Amendments

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the amendment will violate settled law or prejudice the adverse party. TBMP § 507.02; *Am. Optical Corp. v. Am. Olean Tile Co.*, 168 USPQ 471 (TTAB

1971). VUSA does not contend that the proposed amendments will violate settled law.¹

Accordingly, the only question is whether entry of the amendments will unduly prejudice VUSA. As discussed in detail below, because VUSA has not provided any explanation of how it will be prejudiced by entry of the amendments, and it is clear that no such prejudice exists, justice requires that Florence Fashions' motion to amend be granted.

A. VUSA Has Offered No Explanation of Prejudice

Although VUSA claims that the timing of the proposed amendments is “severely” prejudicial to VUSA, not one sentence of its nine-page opposition brief offers any explanation as to how VUSA will be prejudiced by entry of the amendments. Instead, VUSA seems to suggest that the filing of the motion for leave to amend after the close of discovery alone constitutes prejudice to VUSA, and no further proof is necessary. This position, however, is completely contrary to Rule 15(a) and the prevailing case law.²

VUSA notes at the beginning of the “prejudice” section of its brief, for example, that timing is important in determining whether to grant a motion for leave to amend. Yet, VUSA does not state how specifically the timing of the filing of the motion to amend will prejudice VUSA. Nor does VUSA provide any authority for a finding that amendments requested during testimony are “per se” prejudicial. In fact, the only cases cited by VUSA on this issue are two Board cases *granting* requests for leave to amend, including an amendment to assert a claim of

¹ VUSA also does not dispute that the proposed amendments are legally sufficient. Accordingly, this section of Florence Fashions' opening brief is conceded.

² As detailed in Florence Fashions' opening brief, leave to amend may be granted at any stage of a proceeding, and has been granted by the Board during the trial phase of proceedings on numerous occasions. See, e.g., *Am. Optical Corp.*, 168 USPQ 471 (TTAB 1971); *Space Base, Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990).

lack of distinctiveness (the same relief Florence Fashions seeks here).³ Clearly, these cases do not support VUSA's claims.⁴ If anything, they bolster Florence Fashions' position.

VUSA also makes the erroneous assertion that motions for leave to amend are "generally considered prejudicial" when filed during the testimony period. Lacking any actual authority for this claim, VUSA again cites the *Cool-Ray* and *Best Block* decisions for support.⁵ As discussed above, however, the Board granted the requests to amend in both of these cases. Accordingly, VUSA's assertion that these cases stand for the proposition that amendments requested during trial are "generally considered prejudicial" is baseless.

VUSA unsuccessfully attempts to distinguish the *Am. Optical* and *Space Base*⁶ cases relied on by Florence Fashions in its motion. Nowhere in VUSA's discussion of these cases, however, does VUSA explain how it will be prejudiced by Florence Fashions' proposed amendments. Further, although VUSA points out alleged differences between the cases, VUSA never indicates why those alleged differences are relevant to the issue of whether VUSA will be prejudiced here. Thus, even assuming these cases were distinguishable (which they are not for the reasons discussed below), VUSA still has not offered any basis for its claim that it will be prejudiced by entry the proposed amendments.

³ See *Cool-Ray, Inc. v. Eye Care, Inc.*, 183 USPQ 618 (TTAB 1974) (granting motion to amend complaints to add specific allegations of damage and applicant's false statements); *Best Block Co. v. Innovative Concrete Design Corp.*, 2001 TTAB LEXIS 538 (TTAB 2001) (granting motion for leave to amend notice of opposition to allege lack of acquired distinctiveness).

⁴ To the extent VUSA is suggesting that the movants' requested amendments in *Cool-Ray* and *Best Block* were granted only because trial had not yet commenced, neither case even remotely supports this interpretation. Further, VUSA's mere speculation as to how the Board would have ruled if the motions had been filed during trial is clearly entitled to no weight.

⁵ *Cool-Ray, Inc.*, 183 USPQ 618; *Best Block Co.*, 2001 TTAB LEXIS 538.

⁶ *Am. Optical Corp.*, 168 USPQ 471; *Space Base, Inc.*, 17 USPQ2d 1216.

B. VUSA Will Not Be Prejudiced Because Priority and Distinctiveness Are Required Elements of Its Likelihood-of-Confusion Claims

VUSA's failure to come up with even one example of how it will be prejudiced by entry of the amendments is not surprising. No such prejudice exists. This is because entry of the amendments will not change VUSA's burden of proof in these cases. It is well settled that where a plaintiff opposes a mark or petitions to cancel a registration on the ground of a likelihood of confusion with its own unregistered mark, the plaintiff bears the burden of proving priority and distinctiveness. *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317 (CCPA 1981); *Towers v. Advent Software Inc.*, 17 USPQ2d 1417 (TTAB 1989), *aff'd*, 16 USPQ2d 1039 (Fed. Cir. 1990). Further, where the plaintiff's unregistered mark is merely descriptive, the plaintiff must also establish that its mark acquired distinctiveness before the defendant's priority date. *Perma Ceram Enters., v. Preco Indus.*, 1992 TTAB LEXIS 40 (TTAB Apr. 1, 1992).

Applying these standards here, Florence Fashions' denial of VUSA's priority and likelihood-of-confusion claims in its original answers was sufficient to place the burden on VUSA to establish prior use and ownership of a protectable mark. Thus, the proposed amendments will not cause any undue prejudice to VUSA because it would need to establish priority and distinctiveness even if the amendments were not entered. For this reason, this is not a case where VUSA can claim unfair surprise.

Moreover, counsel for VUSA in this proceeding was specifically placed on notice that the VALENTINO term lacked distinctiveness as early as November 5, 2008 when the PTO issued an Office Action refusing registration of the term VALENTINO in Application Serial No. 79059290 as primarily merely a surname. Significantly, this occurred only one day into VUSA's original testimony period, which opened on November 4, 2008. Thus, contrary to VUSA's

assertions in its opposition brief, VUSA had all but one day of its full testimony period to submit evidence on this issue, and will also have its full rebuttal period to do so.⁷

The above facts, among other things, distinguish the present situation from *Media Online* case relied on by VUSA in its opposition brief. In *Media Online*, the plaintiff sought to cancel the defendant's registration on the grounds of priority and likelihood of confusion. Defendant filed a motion for judgment on the pleadings on the issue of priority and, in response, plaintiff filed a motion to amend its pleadings to add claims of fraud and descriptiveness. Unlike VUSA, however, the defendant in *Media Online* owned a federal registration and thus it did not already have the burden of establishing its mark was distinctive. Entry of the amendment would have required the *Media Online* defendant to offer new evidence to defend against the new claim. For the reasons discussed above, these facts are not present here.⁸

The *Media Online* case is, however, on point for another reason that VUSA fails to mention in its two-page discussion of this case. In response to the defendant's motion for judgment on the pleadings, the *Media Online* plaintiff argued that the defendant should be precluded from moving for judgment on the issue of priority because it had not alleged priority of use as an affirmative defense. The Board found the plaintiff's objection "misplaced." Like in the present case, the Board held that even though the defendant had not plead the affirmative defense of no priority of use, there could be no unfair surprise since priority was a required element of plaintiff's likelihood-of-confusion claim (just as distinctiveness and priority are

⁷ As a result of the Board's December 15, 2008 and January 2, 2009 orders, VUSA's opening testimony period spanned more than three and a half months.

⁸ The *Media Online* case is also distinguishable in other important ways. For example, as discussed in detail below, unlike the new claims in *Media Online*, Florence Fashions' proposed amendment is not based on public dictionary and Internet evidence available at the time it originally filed its answers. Rather, the evidence supporting the requested amendment was newly discovered less than one week before Florence Fashions filed its motion to amend.

elements of VUSA's claims here). The *Media Online* decision thus supports Florence Fashions' position that VUSA will not be prejudiced by entry of the proposed amendments.

Finally, to the extent VUSA needs to address the proposed affirmative defense, it still has its entire rebuttal period during which to do so. This is, of course, in addition to the opportunity VUSA already had to address the issues of distinctiveness and priority during its opening testimony period as required elements of its claims. Moreover, VUSA has had *several months* after the pending motion was filed, and during the remainder of Florence Fashions' testimony period, to gather evidence and prepare any rebuttal evidence to this added claim.

In sum, because VUSA has not provided any explanation of how it will be prejudiced by entry of the amendments, and VUSA will have a full opportunity to rebut the added defense, the proposed amendments must be granted.

C. Florence Fashions Promptly Filed Its Motion to Amend Within One Week of Uncovering the Newly Discovered Evidence

Because there will be no prejudice to VUSA by entry of the amendments, Florence Fashions did not "unduly delay" in bringing this motion. Indeed, the concepts of undue delay and prejudice are "inextricably" linked. *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355 (TTAB 1989) (undue delay and prejudice are "inextricably" linked, and thus defendant did not delay unduly in asserting counterclaim because plaintiff would not be prejudiced by the amendment). Florence Fashions' motion should be granted on this basis alone.

In any event, the record also shows that Florence Fashions promptly filed its motion to amend within one week of uncovering the newly discovered evidence on which it bases its amendments. Florence Fashions did not learn of the admission by VUSA's parent that the term VALENTINO lacked distinctiveness until May 17, 2009, and its motion for leave to amend was filed only *two days* later. Moreover, the evidence at issue, namely, the Office Action response amending Application Serial No. 79059290 to seek registration under Section 2(d), did not even

exist until May 6, 2009.⁹ Similarly, Florence Fashions filed its motion to amend promptly within one week after learning of its earlier 1977 priority date on May 13, 2009.¹⁰

The facts here are thus entirely distinguishable from those in the *Media Online* case relied on by VUSA. In that case, the dictionary and Internet evidence on which the movant relied to support its amendment was available at the time its original pleadings were filed. Here, the admission by VUSA's parent that the term VALENTINO lacks distinctiveness is entirely new evidence that did not even exist until May 6, 2009. Further, the evidence of the earlier 1977 priority date was not discovered until May 13, 2009, and VUSA had a full opportunity (and took advantage of it) to attend and cross-examine Florence Fashion's witness on this issue.

VUSA has also failed to distinguish the *Am. Optical* and *Space Base* cases, both of which provide strong support for Florence Fashions' position. For example, VUSA urges the Board to disregard the *Am. Optical* decision because the evidence of an earlier priority date in that case was newly discovered, and the motion for leave was immediately filed. However, the same facts are present here. Florence Fashions' early priority date was newly discovered, and Florence Fashions promptly filed its motion for leave to amend less than a week later. VUSA further contends that, unlike the newly discovered evidence in *Am. Optical*, Florence Fashions' new priority date "is in no way related" to the new affirmative defense. Florence Fashions'

⁹ VUSA's asserts that Florence Fashions "does not rely on any new evidence" in support of its motion for leave to amend. (Opp. Br. p. 2.) However, VUSA's parent's admission that the term VALENTINO lacks distinctiveness is obviously new evidence.

¹⁰ Curiously, VUSA argues that the circumstances of Florence Fashions' discovery of its earlier first use date and VUSA's parent's admission that the term VALENTINO lacks distinctiveness are "irrelevant" to its motion to amend and "possibly meant to distract the Board." (Opp. Br. p. 1.) This inflammatory claim is baseless. First, the amendment by VUSA's parent to seek registration of the term VALENTINO under Section 2(f) constitutes an *admission* that the term lacks of distinctiveness and is thus highly relevant to Florence Fashions' affirmative defense of lack of distinctiveness. *Yamaha Int'l Corp v. Hoshino Gakki Co.*, 6 USPQ2d 1001 (Fed. Cir. 1988). Second, because VUSA must establish not only that its asserted marks are distinctive, but that they were distinctive prior to Florence Fashions' priority date to prevail on its claims, the newly discovered priority date is also clearly relevant to Florence Fashions' affirmative defense that VUSA's marks lacked distinctiveness as of Florence Fashions' priority date.

evidence of earlier use of its marks through its predecessor in interest, however, is directly related to its affirmative defense that VUSA's asserted marks lacked distinctiveness before Florence Fashions' priority date.

Regarding the *Space Base* case, VUSA argues that the prejudice that would be suffered by VUSA is "much greater" than that of applicant in that case because, there, the opposer filed the motion to amend during its own testimony period, so the applicant had its entire testimony period to address the new claim. In contrast to the *Space Base* applicant, VUSA asserts that its testimony period has already "concluded." But this is not true. In fact, VUSA's entire rebuttal testimony period remains, and thus its position does not differ in substance from the *Space Base* applicant. Moreover, as discussed above, VUSA has provided no evidence of how it will be prejudiced because of the fact that its opening testimony period has already closed.

Finally, contrary to VUSA's assertions, Florence Fashions did not unduly delay by not requesting leave to amend its pleadings after the Board entered its May 19, 2008 order denying VUSA's motion for summary judgment. Neither the evidence of the admission that the VALENTINO term lacked distinctiveness nor the evidence of Florence Fashions' 1977 priority date were discovered until May 2009. Accordingly, it would have been impossible for Florence Fashions to seek to amend its pleadings based on this evidence in May of 2008.

Moreover, even assuming Florence Fashions had the relevant evidence in May 2008, it was unclear at that time and for many more months whether VUSA would be permitted to join the alleged owner of the registrations as a party to these consolidated proceedings. If joinder had been permitted, the registrations would have constituted conclusive evidence of distinctiveness, eliminating the need for an affirmative defense of lack of distinctiveness.¹¹

¹¹ As noted in Florence Fashions' opening brief, the issue of whether VUSA, through itself or its parent company, would be able to rely on the pleaded registrations for purposes of claiming the Section 7(b) presumptions was not conclusively resolved until the Board issued its April 24, 2009 order. This order denied Florence Fashions' motion to strike the registrations, but held that VUSA could not rely on the registrations to claim the Section 7(b) presumptions.

Florence Fashions' present motion is also not inconsistent with its position in opposing VUSA's motion to join its parent as a party to these proceedings. Unlike Florence Fashions, VUSA provided no newly discovered evidence in support of its request for joinder. In fact, nothing had changed in the 9 ½ and 13 ½ years between the institution of the proceedings and the date VUSA filed its motion to join. Further, joinder of a new party and the ability to rely on the pleaded trademark registrations would have substantially changed VUSA's burden of proof in these cases. Among other things, VUSA would no longer have had to establish priority and distinctiveness to prove its claims. And, for the reasons discussed in detail in Florence Fashions' brief in opposition to VUSA's motion for joinder, this would have caused significant prejudice to Florence Fashions and its ability to defend the case. In contrast, the proposed affirmative defense here does not change VUSA's burden of proof, and there is absolutely no evidence that VUSA will be prejudiced if the amendments are entered.

In sum, Florence Fashions' motion for leave to amend should be granted because it was filed promptly after learning of the newly discovered evidence, and VUSA will suffer no prejudice by entry of the proposed amendments.

II. Discovery On the Issue of Lack of Distinctiveness Is Unnecessary Because The Relevant Evidence Is Uniquely Within VUSA's Control

VUSA requests that it be allowed to take discovery on the new affirmative defense if Florence Fashions' motion is granted. As an initial matter, the Board has stated on numerous occasions that there will be no further extensions or delays in these proceedings, which have now been pending for 10 and 15 years. VUSA's request should be denied on this basis alone.

In addition, VUSA has failed to provide any explanation for why additional discovery is needed in these particular cases. Instead, VUSA simply points to two other Board cases that reopened discovery after granting a motion to amend during trial without explaining how those cases are probative here. Clearly, VUSA has fallen well short of meeting the "good cause"


standard for reopening discovery, and its request should be denied. Indeed, the Board denied Florence Fashions' request to extend the trial schedule for this same reason two months ago.¹²

Moreover, discovery of Florence Fashions is clearly not necessary to establish whether VUSA's alleged trademarks were distinctive before Florence Fashions' priority date. This information is uniquely in the control of VUSA, not Florence Fashions. Also, to the extent that any such evidence exists, presumably it would have already been located and submitted during VUSA's opening testimony period in support of its claims of priority and likelihood of confusion. Regarding the 1977 priority date, VUSA attended and cross-examined Florence Fashion's witness on this issue, and the evidence introduced during that deposition is the only evidence that Florence Fashions is aware of showing use of its marks in the United States in 1977. Additional discovery is thus unwarranted.

III. Conclusion

Based on the facts and authorities set forth above, Florence Fashions respectfully requests that the Board give leave to file its Amended Answers.

Date: June 29, 2009

Respectfully submitted,

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¹² April 24, 2009 Order Denying Motion to Strike Notice of Reliance Under Rule 2.122(e).

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing Reply in Support of Florence Fashions' Motion for Leave to File Amended Answers was served by first class mail, postage prepaid, on this 29th day of June 2009, upon counsel for Opposer/Petitioner:

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